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Economic Impact of 10K Race on the Greater Charleston, SC Area

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Abstract

This paper will deal with the economic impact of the Cooper River Bridge Run on the Lowcountry region of South Carolina, and specifically on the city of Charleston and town of Mt. Pleasant. Additionally, although the event is also billed, at least theoretically, as one that also contributes to a labor income impact, and the creation of additional local jobs, that might happen only in theory. Furthermore, intangible impacts of the race might in reality be the greatest benefit of them all for the participants and local areas. Finally, the benefit of self-administered survey (web-based) over traditionally administered (physically, through volunteers) will be discussed and examined.

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INTRODUCTION

There are numerous types of sporting events employed by a community for one of two purposes: either to enhance the quality of life of its residents or, to boost tourism revenues through the sporting event itself as well as supplemental/auxiliary hospitality events and activities that accompany such a sporting event. In very few instances, an event concentrates on combining both purposes: enhance the quality of life of the community members, and enhance the economic impact on the community through that event. Such is the case with the "*Cooper River Bridge Run*", now in its 30th year of life.

Although the event is officially labeled as the 3rd largest 10K running event in the USA, and one of the 10 largest worldwide, it still maintains its community identity and remains truthful to its original mission. At the same time, with an *estimated* economic impact of approximately over \$20 million for the 2007 race, provides the second largest estimated economic impact in the state of South Carolina, ranking below the Family Circle Tennis Cup event.

In an attempt to provide a clearer and more consistent picture on actual economic impact of the event, as well as a better idea of the "all-around" impact of the race in the community, the presentation will attempt to:

- explain some of the steps taken that assisted in the evolution of the race and the consequent economic impact on the Lowcountry communities;
- discuss some issues pertaining on spending habits of participants when compared to other tourists in the area;
- provide some insight on the health and social impact of the event to the quality of life of the Lowcountry communities.

Sporting Events Economic Impact

It is true that majority of past research, at least majority of economic impact of sports, mainly encompasses the economic impact of professional sports and/or the impact of new facilities for such sports for a municipality or similar area (Baade & Matheson, 2000; Baade & Matheson, 2001; Coates & Humphreys, 2002). Little research in the past years has been published on "amateur" sports ("non-revenue"), or to the so called "sport tourism". Furthermore, this "other" sporting events may be established and maintained not only for the purpose of financial profits but because of other impact (health, social) that provide to the staging municipalities/areas.

Crompton (2004) defined economic impact for a sport facility as "the net economic change in a host community that results from spending attributed to the sports facility". Based upon that definition, we can then define the economic impact for a sporting event as: ***the net economic change in the host community (ies) that results from spending attributed to this sporting event.***

Matheson (2002) referred to four factors that might contribute to an exaggeration of economic impacts on hosting communities: Substitution and Crowding Out effects, Money spent during the event does not stay in local economy, and finally, there might be negative effects for the community, such as vandalism, traffic congestion, etc, as result of said event.

Lee (2001) maintains that besides the economic impact of a sporting event, there exist other impacts such as social, which can be more important to the community than the economic impact. He also maintains that "based on the results, other alternatives for the sport event can be considered".

Finally, Crompton (1999) after examining sport tournaments in 7 different cities, provided information on certain emerging patterns that might also be appropriate for the Cooper River

Bridge Run:

1. The larger the number of out-of-town participants, the greater the likely economic impact
2. If an overnight stay is not required, the impact is likely to be small.
3. Importance of "ascertaining the proportion of time-switchers" (visitors who plan to visit but change time of visit to coincide with event) need to be excluded
4. If all (or majority) of above hold true, sports tournament are likely to generate substantial positive economic impact to a community

Cooper River Bridge Run

History/Evolution

The idea of a race across the Cooper River Bridge originated with Dr. Marcus Newberry of MUSC (Medical University of South Carolina). He wanted to get the Charleston Community involved in running and fitness and thought a run across the bridge would do it. He got together with Terry Hamlin, then President of the Charleston Running Club, and they set up a committee which was comprised of representatives from The Charleston Running Club, The Citadel, The Medical University, and the College of Charleston. They worked out the details, overcame numerous obstacles and thus the Cooper River Bridge Run was born on Sunday, April 2, 1978. That first event drew approximately 1,000 runners, by far more than expected by the organizers. Since the beginning of the Cooper River Bridge Run, its *mission* has been: *to provide a world-class 10-K foot*

race and to promote continuous physical activity and a healthy lifestyle through education and opportunity.

The Vision of the Race is to be the best organized and the best conducted 10-K race in the world that:

- includes world-class competition in a unique setting with unparalleled participant satisfaction
- broadens community cooperation and participation in healthy events throughout the year, and
- serves as a model of health motivation for other communities throughout the world

Finally, its *objectives* are:

- Increase interest in cardiovascular exercise in the Community
- Raise funds for public education on the importance of exercise
- Generate a spirit of community involvement and volunteerism
- Promote and publicize the Cooper River Bridge Run (<http://www.bridgerun.com/about.html>)

Throughout the years of its existence, the Cooper River Bridge Run has evolved to one of the premiere events of road racing in the USA, and one of the 10 largest 10K road races in the world, which still strived to maintain its community character and mission. The introduction of a separate division of a 4 miles walk in 1994, not only increased the numbers of participants in the event, but it clearly boosted the efforts to meet the event's objectives of broadening community participation, and serving as a model of health motivation for other communities. With the incorporation of one starting line for both the walkers and the runners (both groups covering a distance of 10K -or 6.2M) in 2005, the event is considered as one of the largest in the world.

Economic and Other Impact

As mentioned above, the results of an economic impact analysis offer a single figure to the overall impact that a sport event might have on a region. Furthermore, economic impact research in the past has not encountered all factors associated with an event, nor was such research conducted

in a manner that eliminated most of the factors and patterns mentioned by Matheson (2002), Lee (2001), and Crompton (1999). Also, for the purposes of this presentation, two different studies on the economic impact of the Cooper River Bridge Run will be used as a background for drawing some conclusions and/or recommendations. The first, conducted in 2004, replicated an economic impact study that had been conducted in 1996, and it was sanctioned by the Cooper River Bridge Run (Felts et al., 2005). The second such study examined the economic attractiveness of runners as "healthy" tourists when compared to other "regular" tourists in the region, and it is the brain-child of a business professor at the College of Charleston (Litvin, 2006).

The Economic Impact

Based upon the results of these two economic impact studies, certain facts about the race can be brought forward as applicable to the economic impact of the race on the surrounding area:

- More than half of the surveyed runners-participants (who met selection requirements) traveled over 120 miles to participate in the race (54%).
- Overall Economic Impact for the 2004 Cooper River Bridge Run was estimated at over \$14.3 million.
- Labor income impact of the 2004 race on the region was estimated at \$5.3 million, equivalent to creating 336 local jobs.
- Estimated that every additional 1,000 registrants from outside the local area would equate to an additional \$850,000 impact on the local economy, which when applied to the numbers of entrants for the 2007 race provides the estimated economic impact.
- Participants of the 2004 race stayed an average of 2 nights (mandated by hotels for CRBR weekend, which is still required) with lodging expenditures translated to \$2.3 million.

- 47% of respondents stayed in a private residence and 46% in a hotel/motel (biggest day for family reunions in area; could be economic impact in other areas than normally surveyed, such as grocery stores).
- Almost 57% of respondents noted a household income of over \$75,000.
- 88% of respondents were repeated visitors, and 90% indicated that they planned a return visit within the next year.
- According to Litvin's study, runners spent an estimated \$510 per stay, compared to an estimated \$924 per stay of the "normal" tourist; also less likely to shop at retail stores downtown, or utilize tourist tours and attend paid visitor attractions around the area.

Other Impact

Besides the Economic Impact, the event also contributes to the quality of life of the involved communities, and to a sense of propriety of the event (community sees it as its own event). This is mainly displayed through:

- Partnership of 7 community entities of different nature to oversee the event.
- Although Sponsorship is expanded to the geographic Region, through some of the major sponsors, the majority of it is either local entities or has strong local ties, when compared to other similar events of that magnitude.
- Training camps for walkers runners prior to event, geared towards new entrants; camps train usually sedentary citizens who wish to participate in the event for the first time or, previously active ones who wish to start over again. Throughout the last 10 years these training camps have been the catalyst for a number of local citizens' change of lifestyle from sedentary to active.

- Community outreach through events within the event:
 - Poster competition and revealing, Press Luncheon, Sponsor harbor cruise, Race Expo, other pre- and after-race social events.
 - Kids Run and Fun Time.
 - Health/Wellness Grants to local organizations, sponsoring activities that fit to the mission of the event.
- Charity Connection (charity money to be retained for local programs):
 - Kidney Foundation
 - American Cancer Society
 - Susan G. Komen Foundation
 - Donate Life
 - Youth Rebuilt
 - Prevention of Child Abuse
- Constant communication through multimedia channels with community, and promoting a sense of “ownership” of event by the people of the Greater Charleston area.
- Addition of a Wheelchair division to fulfill mission of providing exercise outlet for all citizens.

Discussion/Conclusion

Cooper River Bridge Run ranks second in the state of South Carolina of all sporting events, contributing to the economic impact of a geographic area. Given that the first ranking event, The Circle Cup Tennis Tournament, is an event that lasts more than a week, it can be stated that when

time for staging the event enters the picture, CRBR might be the premier event in the state of South Carolina.

Although carefully administered surveys have proven that the event does indeed contribute to the economic impact in the area, because of the nature of such surveys, and the degree of estimation that is involved with all economic impact surveys, might be appropriate to include certain self-imposed restrictions to future surveys, such as:

1. Restriction of statements such as job creation, when this might not be the case. As with other cases, there exists a vast difference between theoretical applications and reality of economic impacts. Instead, research should try to uncover what is the actual impact on job creation by surveying hospitality entities that benefit from the event, as well as professional entities that benefit from services outsourced to them by the event.
2. Further survey of the large percentage (47%) of the out-of-town participants who utilize lodging with family/friends (private). In their case, although they are not shown as contributing to the hospitality industry as much as the ones who utilize commercial lodging, they might contribute in other segments of the local economy, such as grocery stores and other similar segments. It will also allow the research to better ascertain the proportion of "time-switchers" and exclude them from the final estimation.
3. More research is required on the matter of occupancy of commercial lodging during the time that surrounds the event. A better understanding of impact of the event in the industry might require a weekend-by-weekend examination of occupancy for at least 8-10 weeks prior and after the event. Given that Easter, a traditional time for tourism, normally falls 1-2 weeks after the event, and that the Family Circle Cup is also shortly after the CRBR, then a better examination of occupancy on weekends unrelated to these two events might

provide us with a better insight on magnitude of occupancy, as related to the CRBR event.

Other big tourism events, such as the Spoleto and Piccolo Spoleto festivals also fall shortly after the event; in 2007 Senior PGA and Ginn Tribute LPGA events also followed the Cooper River Bridge Run, and in the case of the Ginn LPGA Tournament will continue to be hosted locally in the future at same time.

4. A thorough examination of the Hospitality industry's seasonal employment and occupancy might also give a better idea on the economic impact that actually benefits the area, through possible reevaluation of economic impact through hotels managed by organizations headquartered and reporting income outside the Lowcountry area. This though might be something that needs to be re-evaluated since their hospitality taxes for city will still need to be counted as part of the economic impact.
5. Finally, a more thorough research, especially on effect Training camps, Kids Run and other similar events targeting citizens' change of attitude towards a healthier lifestyle, will provide with a more thorough knowledge of event's impact on community healthier attitudes; furthermore, social and other events, and voluntarism associated with the CRBR event need to be better examined, as to draw conclusions on the totality of impact of the event on the lives of the area's citizens.

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